Bemidji Area Indian Health Service
Restructuring Work Group

Strategic Planning

July, 1997

U.S. Indian Health Service
Bemidji Area Office
Bemidji, Minnesota

Prepared by:

Jo Ann Kauffman
Kauffman and Associates, Inc.
Kamiah, Idaho

Table of Contents

I. Executive Summary

The Bemidji Area of the U.S. Indian Health Service (IHS) has initiated a year long restructuring planning process in response to tribal recommendations. This process is aimed at providing a means to identify the issues facing the inevitable restructuring of the IHS nationally and at the Area Office levels, and to formulate strategic planning options for consideration of the tribes, service units and urban programs served through the IHS system. The focus of this current strategic planning effort is to answer the question:

"What is the administrative support structure needed to continue and enhance health services in the Bemidji Area in the future?"

Numerous meetings and consultations have preceded this strategic planning process. In addition to meetings at the Area level, the IHS recently completed a national consultation process examining the redesign of the Indian Health Service. The IHS Design Team (IHDT) prepared a series of recommendations, many of which have been implemented at the headquarters level, known as "Phase I" of the redesign. At the Area level of the IHS, the agency is consulting with tribes and urban programs to assess restructuring at the Area level of operations. This is referred to as "Phase II" of the IHDT overall plan, and relies upon the unique concerns and consultation decisions at the local level for specific recommendations.

In the Bemidji Area, a Redesign Workgroup has been established, composed primarily of health directors from tribes, tribal consortia, and urban programs. The first session sought to identify the parameters of our strategic planning; the norms or ground rules under which the group would operate; an understanding of the background and schedule of this effort; a review of the environment affecting Bemidji Area plans; and a first effort to reach consensus on a "vision" of where the Redesign Workgroup sees the Bemidji Area Office in 3 to 5 years. The draft "vision" reflects the complexity of views about the future of the BAO, and the numerous and unpredictable variables which will shape the BAO in the future. There was consensus that there would definitely be a Bemidji Area Office in the future, at a minimum providing residual federal responsibilities, and at a maximum serving as an advocate and resource for the I/T/U system through the investment of tribal shares, legislative mandates and alternative state and federal funding schemes.

Vision Statement:

"In partnership and collaboration with tribes, and in respect for the diversity of the I/T/U systems in the Bemidji Area, we envision a continued presence of the Bemidji Area Office

which will continue contract oversight, budget formulation, advocacy for increased funding on behalf of I/T/U's and other inherent federal functions or legislative mandates; and develop effective ways of doing business to meet the needs of I/T/U's based upon and as determined by tribal share investments, to include the following:

- **Coordinate public health functions with I/T/U's;**
- **Assist I/T/U's with human resource recruitment, retention, and development;**
- **Communicate with I/T/U's using compatible systems and a rational, state-of-the-art, interactive management information system;**
- **Be an advocate in assisting and supporting the collaboration of I/T/U's in dealing with Federal and State issues, so that Indian tribes and communities will have access to all Federal health dollars available to them and to serve as a clearing house for technical assistance to meet the changing needs of the I/T/U's."**

Prior to moving forward toward this vision, the Workgroup identified the **obstacles and challenges** blocking the stated vision. These obstacles represent a significant amount of information and analysis by the Workgroup. Resource people from IHS headquarters were brought into the discussion to provide the latest information on the IHS data systems, the legislative changes affecting IHS, the most recent calculations on residual funding by the Area Office, the federal government's definition of inherent federal functions, and a description of existing functions performed at the Area level.

The Bemidji Area Office Director Dr. Kathy Annette, met with the Workgroup during their third meeting to convey her expectations of the Workgroup and provide additional information for deliberations. She used the following graphic to help describe her expectations from the Restructuring Workgroup, and asked that the Restructuring Workgroup, in the course of this planning process, define for BAO the likely framework of services that tribes will want to 'buy back', so that the Area Office can begin to plan to retain staffing for those specific functions; or to initiate Area reductions in force (RIF). Obviously, it is impossible for the Workgroup to determine the array of services or resources that the tribes through out the Bemidji Area will want to buy back. But, as representatives of health programs, the members of the Redesign Workgroup did articulate the elements they perceive will be needed at an Area level and those are reflected in this document. The following graphic shows the lined section, as that portion of the Area Office which requires definition so that the BAO can staff appropriately.

The vision identified by the Workgroup provides much of the focus requested by the Area Director to begin planning for an Area Office more reflective of the contemporary challenges facing I/T/U's today. To reach that new vision for BAO, the Workgroup articulated four major Strategic Directions in which future activities should be planned. These four major areas included the following.

Major Strategic Directions:

Design a new competitive business oriented paradigm for I/T/U's;

- Tribes and IHS will work in partnership to advocate for Indian Health;
- Make the RPMS accessible and functional for all I/T/U's in the system;
- Change the Federal Personnel System for IHS;

Uphold tribal sovereignty and federal trust responsibility;

- Tribes and IHS must continue to reaffirm the government-to-government relationship;
- Availability of IHS to assist tribes when dealing with state on government-to-government basis;

Develop a system for on site technical assistance that makes effective use of limited resources;

- Bemidji Area Office will conduct annual I/T/U-specific technical assistance needs assessments;
- Bemidji Area Office will identify TA resources and coordinate information and access for I/T/U's;

Establish process for ongoing assessment, planning, implementation, and evaluation with I/T/U's.

- Area and Tribe commit to continue and follow through on planning process;
- Keep our minds open to "re-creating" IHS as we have known it.

II. Guiding Principals of the Restructuring Workgroup

The philosophical basis for this Restructuring Workgroup mirrors the guiding principles established by the Indian Health Service Design Team, with a few exceptions. The BAO Restructuring Workgroup added to its Guiding Principles a new principle: "Respect for diversity of the I/T/U system". In light of the wide range of delivery mechanisms and management arrangements in existence in the Bemidji Area, this one principle exemplifies the challenge before us, and the need to respect diversity for all elements of the IHS delivery system. The Workgroup also re-prioritized the list to elevate "sovereignty" and "trust responsibility" to the top of the list, only behind "patient care". These principles guided the discussions and considerations of the BAO Restructuring Workgroup:

- Patient Care Comes First
- Sovereignty
- Trust Responsibility
- Be Customer Centered
- Focus on Health
- Cultural Sensitivity

? Empowerment/Adaptability
? Accountability
? Treat Employees Fairly
? Excellence
? System-Wide Simplification
? Full Disclosure and Consultation
? Respect for Diversity of I/T/U System

III. The Environment Facing BAO and I/T/U's

The BAO and the direct delivery programs (I/T/U's) served by this office find themselves in a challenging and dynamic environment. The shift of IHS resources from federal management to tribal management has increased. The resulting decrease in Area Office staffing and support will have an impact on the Area-wide system and all I/T/U's. The BAO has announced it will make available 100% of the "tribal shares" to all tribes in the Area by October 1, 1997. The degree to which tribes opt to "buy back" functions or services from the Area Office will determine the staffing of the office beyond what is needed for inherent federal functions or legislative mandates. Other challenges also face the I/T/U's as they struggle to maintain or enhance health services for Indian patients. These are listed below.

Factors in our Internal Environment . . .

- IHS & DHHS staff are bumping into local service unit budgets via RIF and downsizing within the federal system, impacting local services;
- P.L. 93-638 contracts and compacts require data system for outcome measures and baseline data;
- Mental health and substance abuse data systems and managed care systems;
- Lack quality health status data and community specific data;
- Federal service units with federal requirements still exist in the Bemidji Area;
- Many tribes taking over health services via contracting/compacting;
- There is an existing allocation of area resources;
- Tribal shares are identified and tribes have the option to take over;
- Existing allocations are not consistent with the shares formula;
- Factors in Our Internal Environment, continued ...
- Aberdeen Area also has BAO shares, but not yet available to tribes;
- Congress is NOT appropriating adequate funds for newly recognized tribes;
- IHS budget has never been adequate, not keeping up with inflation, population increases, level of need; we are losing ground;
- Often tribal share is not enough to do anything;
- Residual funds are needed for IHS to fulfill mandatory functions;
- There is no consistent definition of what is residual or tribal share;
- IHS has not provided tribal shares when an employee RIF is involved;
- Tribes are working with new groups outside of IHS (joint ventures);
- Tribes are saving costs by collective bargaining and other initiatives;
- Tribal and urban collaboration occurring.

Factors in our External Environment . . .

- DHHS/Federal regulations us RIF to displace IHS staff at Headquarters and Area Offices with higher salaried federal personnel;
- National trend to shift federal functions to the states;
- States refuse to recognize tribes as sovereign, but more like a business or minority group;
- Trend toward managed care and competition in health industry;
- Welfare reform impacts cause migration reservation/urban, Medicaid billings will drop, increased birth rates, poverty, etc.;

- Federal Block Grant and Performance Partnership will require new health status baseline data for Medicaid reimbursement;
- Managed care in Mental Health and & Substance Abuse fields;
- Congress is looking to cut federal funds to gaming tribes and attacks on tribal sovereignty nationally for all tribes.

IV. Vision for Bemidji Area Office

To reach consensus on a practical vision for the BAO, the workgroup answered the question: "What are the features or components of the administrative support structure you envision in 3 to 5 years at BAO?" The workgroup identified the following:

VISION:

"In partnership and collaboration with tribes, and in respect for the diversity of the I/T/U systems in the Bemidji Area, we envision a continued presence of the Bemidji Area Office which will continue contract oversight, budget formulation, advocacy for increased funding on behalf of I/T/U's and other inherent federal functions or legislative mandates; and develop effective ways of doing business to meet the needs of I/T/U's based upon and as determined by tribal share investments, to include the following:

- *Coordinate public health functions with I/T/U's;*
- *Assist I/T/U's with human resource recruitment, retention, and development;*
- *Communicate with I/T/U's using compatible systems and a rational, state-of-the-art, interactive management information system;*
- *Be an advocate in assisting and supporting the collaboration of I/T/U's in dealing with Federal and State issues, so that Indian tribes and communities will have access to all Federal health dollars available to them and to serve as a clearing house for technical assistance to meet the changing needs of the I/T/U's."*

The fundamental basis for a future BAO, rests in first understanding and reaching consensus about the nature of residual functions which will remain at the BAO over and above tribal shares. With the exception of the envisioned residual Area function of contract oversight, budget formulation and serving as an advocate for increased funding, all other aspects of this vision statement are dependent upon the investment of tribal shares or some other new revenue stream, or upon legislative mandates such as contract monitoring of urban health projects.

An Office of Management and Budget (OMB) definition for residual, or inherent federal functions was shared with the Workgroup. Although the definition was vague and subject to interpretation, it provides some basis from which to understand the redesign of the Area Office. There was consensus within the Workgroup as to those Area Office functions which are residual in some areas, although there continues to be differing opinions about some Area functions as to their classification as either tribal or residual.

To help understand how residual functions are defined, IHS provided a copy of the most current definition for inherent federal functions, as it has been applied to identify IHS residual functions. Those activities or responsibilities which are inherently federal are not subject to a tribal share allocation, and therefore will continue to be funded at the Area or Headquarters levels of IHS. The U.S. Office of Management and Budget (OMB) definition of inherent federal functions, include functions which meet any of the following criteria:

Inherent Federal Functions:

1. Functions related to the allocation of federal dollars;
2. Functions related to the selection and supervision of federal employees;
3. Functions related to federal procurement activities and leases;
4. Functions related to federal appeals and supervisory reviews (torts);
5. Functions related to formulation of the Secretary's and Presidents' budgets;
6. Functions related to the tribes right to retrocession;
7. Functions related to advocacy, or maintaining a federal presence for purposes of implementing Congressional mandates.

V. Obstacles Blocking our Vision for the Future

To achieve the vision for a new and restructured Bemidji Area Office, it will be important to recognize and deal with the obstacles or challenges facing this task. The BAO Restructuring Workgroup identified specific obstacles which stand in the way for meaningful restructuring to occur. For the BAO and I/T/U's to move toward achieving the stated vision, these obstacles must at some point be addressed:

OBSTACLES:

- Constantly changing data systems requirements and changing business environment;
- Federal personnel system is irrational and inappropriate for the future;
- There is a federal and congressional trend toward stepping away from the U.S. responsibility for Indian health care;
- Federal "gag order" on IHS employees prevents "true advocacy";
- Diversity of I/T/U needs and priorities inhibits consensus among the stakeholders;
- Distance and limited resources prevent BAO from providing adequate T.A. to existing I/T/U's;
- No laws and policies by Federal government or states to protect tribes as "domestic sovereigns" in emerging health policy issues and health reforms.

VI. Strategic Directions

To accomplish the stated vision for the future and to overcome the obstacles, specific strategies were identified. These strategies will be expanded upon at the fourth and final meeting, and major strategic directions will be identified. From these strategies will flow the implementation/action steps for the Bemidji Area. The preliminary strategies identified fall under these headings:

Design a new, competitive, business orientated paradigm for I/T/U's;

- **Tribes and IHS will work in partnership to advocate for Indian Health;**
    - Tribes and IHS must work together to protect funding for Indian health. The limitations on IHS federal employees advocating for increased funding must be recognized and tribes and IHS must coordinate information and advocacy.

- There are other federal and state health initiatives in which the I/T/U system could participate. A new or expanded role for IHS recommended by the Workgroup is to assist I/T/U's (upon request), when negotiating with other entities, such as the Veteran's Administration or state health departments.

- Area-wide planning is a key to coordinating tribal consensus on major issues and formulating strategies to impact state and federal health legislation and policy. New revived efforts to actively advocate for I/T/U's in this process is needed.

- Major changes in health care industry which impact upon I/T/U's require a focused effort of the BAO, such as providing an Area Managed Care Coordinator.

- **Make the RPMS accessible and functional for all I/T/U's in the system**;

  - A major assessment is needed to determine the MIS and data reporting needs, capabilities and priorities within the I/T/U system, so that increased planning can occur to upgrade the accessibility and effectiveness of existing systems.

  - Tribal staff and consultants are needed to assist in the overall data assessment and upgrade initiative which is needed to develop systems which are business oriented, patient sensitive and of value in meeting local data needs.

  - There is value to a continued function at the Area level to monitor or coordinate patient data, for the purposes of Area-wide data analysis and presentation of Area needs.

- **Change the Federal Personnel System for I/T/U's and IHS;**

  - Options to the cumbersome federal personnel system should be examined so that persons can be hired to fill specific functions without limitations or requirements to assign existing federal staff who might not be the most qualified in desired areas. The lack of flexibility in the federal personnel system is seen as a major obstacle to redesigning the Area Office to meet I/T/U needs. One recommended option is the increased use of personal services contracts to perform Area functions as opposed to establishing federal positions.

  - Tribes and other I/T/U participants must have input and involvement in the development of functional structures of the Area Office, screening and selection of staff or consultants, and staffing priorities.

Uphold tribal sovereignty and federal trust responsibility;

- **Tribes and IHS must continue to reaffirm the government-to-government relationship;**

  - Tribes and I/T/U systems must continually underscore the unique government-to-government relationship which is the basis for the Indian health delivery system. The IHS should work with tribes to identify opportunities to educate both federal and state officials on an ongoing basis.

- **Availability of IHS to assist tribes when dealing with state on government-to-government basis;**

  - The role of the Area Director should be expanded to provide for increased advocacy and coordination with I/T/U's and their relationship with other federal and state health related programs or reform initiatives.

- Opportunities for regionalized planning and coordination should identified and become a part of the Area Office duties.

Develop a system for on site technical assistance that makes effective use of limited resources;

- **Bemidji Area Office will conduct annual I/T/U-specific technical assistance needs assessments;**

  - The BAO should conduct an annual needs assessment to determine the extent of on-site technical assistance required and the types of resources needed to meet these needs.

- **Bemidji Area Office will identify TA resources and coordinate information and access for I/T/U's;**

  - The BAO should also conduct an assessment of resources to measure which TA needs can be met by Area staff, which needs could be met by other providers in the I/T/U system, and when new staff or consultants should be brought in to meet TA needs.

Establish process for ongoing assessment, planning, implementation, and evaluation with I/T/Us.

- **Area and Tribe commit to continue and follow through on planning process;**

  - The Area and I/T/U's should continue to work toward planning the redesign of the Area Office and better defining the needs of the I/T/U's.

  - The Implementation Plans which are eventually approved by tribal leaders for BAO Redesign should be monitored and developed by continued oversight and involvement of an area-wide planning group, such as the Redesign Workgroup or other body.

  - Other Area-wide groups, such as meetings with all-tribes, state consortia and other tribal or Indian health consortia should be invited to provide feed-back regarding the restructuring plans and ongoing planning.

- **Keep our minds open to re-creating IHS as we have known it.**

  - Radical solutions to current problems should not be discounted entirely, but evaluated and discussed on a regular basis as the overall Indian health system evolves in the next few years. The Workgroup recommends keeping our minds open to major changes.

  - Structural changes to the BAO will inevitably impact all participants in the I/T/U system and should be assessed based upon its systemic impact. Strengthening Field Offices; decentralizing Area functions; increased centralization; moving the Area Office; keeping the Area Office where it is; or Area-wide tribal 638 management, are all suggested solutions which may be beneficial to some, but a hardship to others in the I/T/U structure. A process to weigh future structural change is needed inn which Area-wide planning can occur and still respects the diversity of the BAO system.

- The process of planning should continue with full I/T/U involvement. The creation of plans or static documents, is not the desired end result of this Restructuring Workgroup. Rather, we recommend a commitment to continue the planning process and keep our minds open.

VII. Implementation Planning

Specific actions or initiatives which could be undertaken in the next 12 months were developed by the Restructuring Workgroup. These Implementation Plans will help put wheels on the Workgroup's recommendations. Specifically, these Implementation Plans represent a commitment to move the planning process forward, and initiate specific actions. Each major strategic direction is identified below, followed by the specific action steps recommended by the Redesign Workgroup :

Design a new, competitive, business oriented paradigm for I/T/U's

- **Beginning October 1, 1997 . . .**
  - Establish a workgroup for BAO of I/T/U representatives to develop a needs assessment tool for defining BAO capabilities and I/T/U Business Capabilities and Personnel Options.
  - Establish an MIS workgroup of BAO and I/T/U representatives to develop an assessment tool to assess MIS capabilities and needs, and specifically determine if and how these systems meet current needs, such as,
    - ? managed care
    - ? billing
    - ? optometry
    - ? accounting
    - ? pharmacy
    - ? lab
    - ? CHS
- **Beginning January 1, 1998 . . .**
  - Implement the business capabilities assessment and the MIS assessment at the local levels, compile the results and distribute the results to all tribes and I/T/U's in the Bemidji Area.
  - Seek input from tribes and I/T/U's regarding the policy or planning implications of the assessment findings.
- **Beginning April 1, 1998 . . .**
  - Develop and prioritized a plan to enhance the business capabilities of all I/T/U's based upon the assessments.
- **Beginning July 1, 1998 . . .**
  - Evaluate and reassess as needed.

Uphold tribal sovereignty and federal trust responsibility

- **Beginning October 1, 1997 . . .**

    - Tribal leaders will mount an education campaign targeting local, state and federal officials regarding the history of the federal responsibility to provide health care to Indians.

    - The Area Director and tribal health staff, in close consultation with tribal leaders, will develop educational materials and schedule meetings to educate state health and legislative officials.

    - The Area Director will update tribal leaders at least quarterly on the latest health policy issues (health reform, HCFA, Medicaid, etc.,) review and discussion of tribal sovereignty and trust relationship implications.

    - IHS Headquarters will summarize all legislative and policy issues for regular distribution to the BAO tribes and I/T/U's via e-mail, web page, fax or mailings of hard copies.

- **Beginning January 1, 1998 . . .**

    - Meetings with state health and legislative officials will be held.

    - Quarterly briefings by the Area Director will continue.

- **Beginning April 1, 1998 . . .**

    - Meetings with officials from the federal Region V will be held.

Develop a system for on-site technical assistance that makes effective use of limited resources.

- **Beginning October 1, 1998 . . .**

    - Develop a needs assessment and process identify technical assistance needs and technical assistance resources through-out the Bemidji Area.

    - IHS/BAO will work with tribes and the I/T/U system to clearly define priorities for technical assistance resources; clearly define the parameters of public health issues; and clearly define and reach consensus on a definition of residual Area functions.

- **Beginning January 1, 1998 . . .**

    - Identify the training needs of I/T/U's, prioritized resources, and set a schedule in which I/T/U's can efficiently access TA resources or training.

    - I/T/U's will work to develop a partnership with IHS to begin advocating for plans within a state beneficial to tribes and I/T/U's and to increase funds from states for I/T/U's.

- **Beginning April 1, 1998 . . .**

    - BAO will work with I/T/U's to identify who in the Area Office will be assigned which specific functions such as: urban coordinator; health resource developer; tribal coordinator.

    - Continue ongoing needs assessments to evaluate TA process.

- **Beginning July 1, 1998 . . .**

    - Provide legislative training for all I/T/U participants and tribal leaders which focuses on the history of Indian health, the budget process, and tribal sovereignty.

    - Training provided to state officials regarding Indian health issues, tribal sovereignty and related legislative issues.

Establish ongoing assessments, planning, implementation and evaluation

- **Beginning July 1, 1997 . . .**

    - The Redesign Plan will be presented to the All-Tribes meeting in July, 1997, for review, comment, amendment and support.

    - The Area Director will meet with tribes on an individual basis with regard to the Redesign Plan.

    - The Restructuring Committee will continue to convene for the purpose of implementing the Restructuring Plan, based upon tribal input and amendments.

    - The mission of the BAO will be redefined based upon tribal feedback to the Redesign Plan and tribal feedback on the BAO/IHS mission, goals, and objectives, including the Area definition of residual functions.

    - Distribution plans for 100% of the IHS tribal shares will proceed and should resolve all field office issues.

- **Beginning October 1, 1997 . . .**

    - Planning and consultation with a variety of tribal and I/T/U groups, consortia and associations will continue.

    - Quarterly meetings of the Restructuring Workgroup will be held to monitor and implement the final Restructuring Plan.

    - A final plan which is acceptable to the tribes will be adopted and efforts to implement the Redesign Plan articulated and carried out.

- **Beginning April 1, 1998 . . .**

    - The Area Director and the Redesign Workgroup will review the Strategic Plan for amendments and implementation.

Attachments

Restructuring Workgroup Participants
Practical Vision for the Future of BAO
Obstacles Blocking Vision
Strategies Summary
Implementation Planning